



DAIKAFIL
CHEMICALS INDIA LIMITED

22nd ANNUAL REPORT
2013-2014

DAIKAFFIL

Board of Directors : Amit J. Patel - Executive Chairman
Sishir R. Amin - Managing Director
Aditya A. Patel - Joint Managing Director
Hiroshige Tanaka
Sudhir M. Patel
Jagdish J. Vasa
Giuseppe Seccomandi

Bankers Karnataka Bank Limited

Auditors Gaurang Merchant & Company

Registrars and Share Transfer Agents Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078

Corporate Office 52, Nariman Bhavan, Nariman Point,
Mumbai-400021

Registered Office and Plant Plot No. E-4, M.I.D.C.
Tarapur, Boisar,
Dist. Palghar – 401 506.
MAHARASHTRA

ANNUAL GENERAL MEETING

Date: September, 26th 2014

Time: 11.30 A.M.

Venue: E-4, M.I.D.C. Tarapur, Boisar,
Dist. Palghar, Maharashtra-401506

Members are requested to direct all correspondence relating to share matters to the Company's Registrars and Share Transfer Agents.

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of **DAIKAFFIL CHEMICALS INDIA LIMITED** will be held on Friday, the 26th Day of September, 2014 at 11.30 A.M. at E-4, M.I.D.C. Tarapur, Boisar, District Thane, Maharashtra-401506 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet for the year ended on 31st March, 2014 and Statement of Profit & Loss as on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2014.
3. To appoint a Director in place of Mr. Aditya A Patel (DIN: 00005276), who retires by rotation and being eligible has offered himself for re-appointment.
4. To re-appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to section 139(2) of the Companies' Act, 2013 read with the Companies' (Audit and Auditors) Rules, 2014, M/s Gaurang Merchant & Co., Chartered Accountants (Registration no. 103111W), be and are hereby appointed as a Statutory Auditors of the Company for the five consecutive years, commencing from the conclusion of this Annual General Meeting until the conclusion of the 27th Annual General Meeting at a remuneration and other terms as may be determined by the Audit Committee and finalised by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies' Act, 2013 and the rules made there under, read with Schedule V of the Companies' Act, 2013 and such other approvals as may be necessary, the Consent of the Company be and is hereby granted to the re-appointment of Mr. Sishir R. Amin (DIN: 00005247) as a Managing Director of the Company for a period of five years with effect from 1st April, 2014 on the salary, remuneration and perquisites as set out in the letter issued to him and laid before the Meeting with liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Sishir Amin within the limits specified in Schedule V of the Companies' Act, 2013 or any amendments, modifications or re-enactments made from time to time by the Central Government in this behalf. The terms and conditions in accordance with Schedule V to the Companies' Act, 2013 are as set out below,

REMUNERATION:

- (i) Basic Salary of INR 89000/- (Rupees Eighty Nine Thousand) per Month
- (ii) Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.
- (iii) In addition to above salary, in the years in which the Company has sufficient profit, Mr. Sishir Amin be paid commission on the annual net profits of the Company as may be decided by the Board at the end of each financial year, computed in the manner laid down in Section 197 of the Companies Act, 2013.

PERQUISITES:

Perquisites shall be restricted to an amount equal to the annual salary.

CATEGORY "A"

- (i) **Housing I:** The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director will be subject to the following ceiling:
60 per cent of the salary, over and above 10 per cent payable by the Managing Director.
Housing II: In case the accommodation is owned by the Company, ten percent of salary of the Managing Director shall be deducted by the Company.
Housing III: In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

EXPLANATION: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules. This shall however be subject to a ceiling of 10 per cent of the salary of the Managing Director.

- (ii) **MEDICAL REIMBURSEMENT:** Expenses incurred for the Managing Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iii) **LEAVE TRAVEL CONCESSION:** For the Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.
- (iv) **CLUB FEES:** Fee of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fee.

DAIKAFFIL

CATEGORY "B"

- (i) Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either or single or put together are not taxable under the Income Tax Act. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- (ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling of perquisites.

CATEGORY "C"

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director a remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be decided by the Board of Directors of the Company.

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, and other applicable provisions of the Companies' Act, 2013 and the rules made thereunder, read with Schedule V of the Companies' Act, 2013, and such other approvals as may be necessary, the Consent of the Company be and is hereby granted to the appointment of Mr. Amit Patel (DIN:00005232) as Executive Chairman of the Company for a period of five years with effect from 1st April, 2014 on the salary, remuneration and perquisites as set out in the letter issued to him and laid before the Meeting with liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites in such manner as the Board in its absolute discretion deem fit and acceptable to Mr. Amit Patel within the limits specified in Schedule V of the Companies' Act, 2013 or any amendment(s), modification(s) or re-enactment(s) made from time to time by the Central Government in this behalf. The terms and conditions in accordance with Schedule V to the Companies' Act, 2013 are as set out below.

REMUNERATION:

- (i) Basic Salary of INR 51000/- (Rupees Fifty One Thousand Only) per month.
- (ii) Bonus as per rules & regulations of the Company and at the discretion of the Board of Directors.
- (iii) In addition to above salary, in the years in which the Company has sufficient profit, Mr. Amit Patel be paid commission on the annual net profits of the Company as may be decided by the Board at the end of each financial year, computed in the manner laid down in Section 197 of the Companies Act, 2013.

PERQUISITES:

Perquisites shall be restricted to an amount equal to the annual salary.

CATEGORY "A"

- (i) **Housing I:** The expenditure incurred by the Company on hiring furnished accommodation for the Executive Chairman will be subject to the following ceiling:

60 per cent of the salary, over and above 10 per cent payable by the Managing Director.

Housing II: In case the accommodation is owned by the Company, ten percent of salary of the Executive Chairman Director shall be deducted by the Company.

EXPLANATION: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules. This shall however be subject to a ceiling of 10 per cent of the salary of the Executive Chairman.

- (ii) **MEDICAL REIMBURSEMENT:** Expenses incurred for the Executive Chairman and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iii) **LEAVE TRAVEL CONCESSION:** For the Executive Chairman and his family once in a year incurred in accordance with any rules specified by the Company.
- (iv) **CLUB FEES:** Fee of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fee.

CATEGORY "B"

- (i) contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent these either or single or put together are not taxable under the Income Tax Act. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- (ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling of perquisites.

CATEGORY "C"

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Chairman.

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Chairman a remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013 and as may be decided by the Board of Directors of the Company.

7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant the provisions of Section 149 152 read with schedule IV and all other applicable provisions of the Companies' Act, 2013 and Companies (Appointment and Qualification of Directors)Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Hiroshige Tanaka (DIN 05247491), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual general Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company.
8. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provision of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including statutory modifications or re-enactments thereof for the time being in force) and clause 49 of the listing agreement, Mr. Sudhir Patel Director having DIN 00012036 of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company.
9. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provision of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including statutory modifications or re-enactments thereof for the time being in force) and clause 49 of the listing agreement, Mr. Jagdish Vasa, having DIN 00170466 Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company.
10. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provision of section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including statutory modifications or re-enactments thereof for the time being in force) and clause 49 of the listing agreement, Mr. Giuseppe Seccomandi having DIN 02213496 Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company.

By Order of the Board

For DAIKAFFIL CHEMICALS INDIA LIMITED
SISHIR R. AMIN
MANAGING DIRECTOR

Registered Office:
E-4, M.I.D.C. Tarapur,
Boisar, Dist. Palghar
Maharashtra-401506

Date: May 23, 2014
Place: Mumbai

DAIKAFFIL

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Shares Transfer Books of the Company will be closed from Friday, the 19th day of September, 2014 to Friday, the 26th day of September 2014 (both days inclusive).
3. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 3rd October, 2014 to those Members whose names stand registered on the Company's Register of Members:
 - i. As Beneficial Owners as at the end of the business hours on 19th day of September, 2014 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in Dematerialized form.
 - ii. As Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before 19th September, 2014.
4. The members are requested to:
 - (a) Intimate to the Company's Registrars and Share Transfer Agents M/s Link Intime India Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date;
 - (b) Quote ledger folio numbers / DP Identity and Client Identity Numbers in all their correspondences;
 - (c) Approach the Company for consolidation of folios, if shareholdings are under multiple folios;
 - (d) Get the shares transferred in joint names, if they are held in single name to avoid inconvenience;
 - (e) Bring their copies of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
 - (f) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
 - (g) Furnish their Bank Account Number, the name of the Bank and the Branch where they would like to deposit the Dividend Warrants for encashment. These particulars will be printed on the cheque portion of Dividend Warrants, besides the name of the Shareholders so as to avoid fraudulent encashment of warrants. The above mentioned details should be furnished by the first / sole shareholder, directly to the Registrar & Share Transfer Agents, quoting the folio number.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. Consequent upon the introduction of Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13 (which will be made available on request) to the Registrar and Transfer Agents, M/s Link Intime India Private Limited.
9. Pursuant to provisions of Section 124(5) of the Companies Act, 2013, dividend for the financial year ended March 31, 2006 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund established by the Central Govt.

Information in respect of such unclaimed dividend when due for transfer to the fund is given below:

Financial Year	Type of Dividend	Date of Declaration	Date of Transfer
2007-2008	Final Dividend	30-09-2008	06-11-2015
2008-2009	Final Dividend	30-09-2009	06-11-2016
2009-2010	Final Dividend	28-07-2010	03-09-2017
2010-2011	Final Dividend	30-09-2011	06-11-2018
2011-2012	Final Dividend	28-09-2012	03-09-2019
2012-2013	Final Dividend	27-09-2013	03-10-2020

Shareholders who have not encashed the dividend warrant(s) are requested to seek issue of duplicate dividend warrants by writing to the Company.

Shareholders are requested to note that no claims shall lie against the Company or the said fund in respect of any amount which were unclaimed and unpaid for a period of seven years from the dates that they became due for payment and no payment shall be made in respect of any such claims.

10. The Annual Report of the Company for the year 2013-2014 is also uploaded on the Company's website (www.daikaffil.com)
11. Members are requested to notify any changes in address, signature or other bank particulars for their shares in electronic mode to their respective Depository Participant and for their physical holdings to the Registrar & Share Transfer Agent of the Company i.e. M/s. Link Intime India Private Limited.
12. Members who have not registered their e-mail addresses so far are required to register their e-mail address for receiving all communications including Annual Report, notices etc from the Company electronically.
13. In accordance with provision of section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the ensuing general Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED ("CDSL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the following voting period.

a)	Commencement of E-Voting:	20th September 2014 (10.00 A.M onwards)
b)	End of e-voting:	22nd September 2014 (till 6.00 P. M.)

During the E-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date may cast their vote electronically. The cutoff date for the limited purpose of e-voting is 22nd August - 2014

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.

Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN* Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

 - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
 - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB# Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

DAIKAFFIL

Dividend Bank Details#

Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

By Order of the Board of Directors
For DAIKAFFIL CHEMICALS INDIA LIMITED
SISHIR R. AMIN
MANAGING DIRECTOR

Date: May 23, 2014
Place: Mumbai

EXPLANATORY STATEMENT IN RESPECT OF ITEMS NOS. 5 TO 10 OF THE NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 5

The Shareholders will recall approving re-appointment of Shri Sishir R. Amin as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2009 at the Annual General Meeting of the Company held on 30th September, 2009.

Considering the growth and progress of the Company during his tenure as Managing Director, the Remuneration Committee and the Board of Directors of the Company, at their meeting held on 23rd May, 2014, considered and recommended his re-appointment and payment of remuneration as mentioned in the resolution for a period of 5 years w.e.f. 1st April, 2014, subject to the approval of the Shareholders in the ensuing Annual General Meeting.

The Managing Director as long his function as such, shall not be paid any fees for attending the meeting of the Board of Directors or any committee thereof.

The Board commends passing of the Resolutions as set out in Item No. 5 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

ITEM NO. 6

The Remuneration Committee of the Board of Directors and the Board of Directors at their Meeting held on 23rd May 2014 decided to appoint Mr. Amit Patel as Executive Chairman of the Company w.e.f. 1st April, 2014 for a period of 5 (five) Years.

Considering his total commitment and devotion to the Company, for managing corporate affairs and particularly looking after technical side of production and expansion in hand, the Remuneration Committee and the Board has recommended his appointment on payment of remuneration as mentioned in the resolution for a period of 5 years w.e.f. 1st April, 2014 subject to the approval of the Shareholders in the ensuing Annual General Meeting.

The Executive Chairman as long his function as such, shall not be paid any fees for attending the meeting of the Board of Directors or any committee thereof.

The Board commends passing of the Resolutions as set out in Item No. 6 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

ITEM NO. 7 to 10

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company. The period of office of these Directors is liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Jagdish Vasa, Mr. Sudhir Patel, Mr. Hiroshige Tanaka, and Mr. Giuseppe Seccomandi being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Board of Directors has recommended appointment of Mr. Jagdish Vasa, Mr. Sudhir Patel, Mr. Hiroshige Tanaka, and Mr. Giuseppe Seccomandi as Independent Directors of the Company.

Mr. Jagdish Vasa, Mr. Sudhir Patel, Mr. Hiroshige Tanaka, and Mr. Giuseppe Seccomandi, Non-Executive Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

By Order of the Board
for **DAIKAFFIL CHEMICALS INDIA LIMITED**
SISHIR R. AMIN
MANAGING DIRECTOR

Date : May 23, 2014
Place : Mumbai

DAIKAFFIL

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Twenty Second Annual Report together with the Audited statement of Accounts along with the Report of the Auditors for the year ended 31st March, 2014

FINANCIAL RESULTS:

	2013-2014 (Rupees)	2012-2013 (Rupees)
Sales etc. and other income	<u>336,904,333</u>	<u>303,869,615</u>
Profit before Depreciation, Interest and Tax	<u>32,143,659</u>	<u>023,246,385</u>
Less: Depreciation	6,104,085	5,617,696
Interest	<u>2,887,394</u>	<u>2,847,087</u>
	8,991,479	8,464,783
Profit before Tax	23,152,180	14,781,602
Provision for Tax		
Current Tax	(80,00,000)	(4,900,000)
MAT Credit / (Set off)	--	(258,000)
Deferred Tax	<u>(577,073)</u>	<u>63,045</u>
	(8,577,073)	(5,094,955)
(Excess)/Short Provision Tax		(32,725)
Provision for Diminution in value of investment	(219,946)	--
Prior Period Expenses		--
Excess Depreciation Charged in previous years	--	96,700
		--
Profit after Tax	<u>14,355,161</u>	<u>9,750,622</u>
Add: Balance Brought forward from the previous year	<u>19,945,543</u>	<u>15,227,946</u>
Profit available for Appropriation	<u>34,300,704</u>	<u>24,978,568</u>
Appropriation		
Transfer to General Reserve	2,500,000	1,500,000
Proposed Dividend	4,800,000	3,000,000
Corporate Dividend Tax Thereon/short provision of Dividend Tax	815,760	5,33,025
Balance carried forward	<u>26,184,944</u>	<u>19,945,543</u>
	<u>34,300,704</u>	<u>24,978,568</u>

REVIEW OF OPERATIONS:

The Company has registered a record performance over previous year, despite challenging macro economic conditions, high inflation, depreciation of the Indian Rupee against the US Dollar and Euro coupled with negative business sentiments prevailing throughout the year and across the Industry. Thanks to the sustained drive and team work of the entire organization, performance remained as top priority on the agenda. This resulted into sales growth and Increase in profitability which should be considered satisfactory.

Revenue from operations increased by 11% i.e. from Rs. 30.39 crores lacs in previous year to Rs. 33.69 crores in current year. Exports increased by 12% i.e. from Rs. 21.25 crores in previous year to Rs. 23.82 crores in current year. Profit before tax increased by 54% i.e. from Rs. 148.78 lacs in previous year to Rs. 229.32 lacs in current year

DIVIDEND:

Based on the satisfactory performance for the year, the Board of Directors are pleased to recommend a dividend of Re 0.80/- per share on 60,00,000 Equity shares of the nominal value of Rs. 10/- each aggregating to Rs. 48.00 Lacs excluding dividend tax.

DIRECTORS:

Mr. Aditya Patel (DIN: 00005276) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Hiroshige Tanaka (DIN: 05247491), Director retires by rotation at ensuing Annual general meeting. In order to give effect to the applicable provisions of section 149 and 152 of the Companies Act 2013, Mr. Hiroshige Tanaka be appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to the conclusion of the 27th Annual general Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

Their re-appointment would immensely benefit the Company looking at their business knowledge and expertise.

CORPORATE GOVERNANCE:

The Company is committed to compliance standards ensuring checks and balances between the Board and Management, as well as a sustainable approach to create value for all stakeholders.

A separate section on Corporate Governance, management discussion and analysis and a certificate from Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with BSE Limited forms part of the Annual Report.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee of the category specified in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDIT COMMITTEE:

As per the requirements of the Companies Act, 1956 and Listing Agreement, the Company has an Audit Committee consisting of two Independent Directors and One Executive Director namely Mr. Sudhir Patel, Mr. Jagdish J. Vasa and Mr. Sishir Amin.

The Audit Committee met on four occasions on 30-05-2013, 14-08-2013, 11-11-2013 and 13-02-2014.

CERTIFICATIONS

Your Company is pleased to inform its members that its Optical Brighteners have been accorded the GOTS (Global Organic Textile Standard) Version 3.0 March 2011 certification for Textiles by CONTROL UNION CERTIFICATIONS.

This would definitely assist the Company in having a better edge in the market of its optical brighteners both in the export and domestic markets in the long run and establish its "DIKAPHOR" brand name in the textile segment in the international and local markets.

Your Company has been granted the status of 'STAR EXPORT HOUSE' by Ministry of Commerce and Industry for export performance of Rs. 100 crores [arrived at by double weightage] entitled to the Company on account of our holding ISO 9001: 2008 certification during the last three accounting years.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2013-2014 are in full conformity with the requirement of the Companies Act, 1956. They believe that the Financial Statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations.

Your Directors further confirm that:

- (1) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (2) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (3) The directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (4) The directors have prepared the annual accounts on a going concern basis.

SAFETY AND ECOLOGY:

Your Company continues to accord the highest priority to Environment, Occupational Health and Safety with a view to progressively achieve international standards while ensuring compliance with statutory requirements.

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FIXED DEPOSITS:

The Company has not accepted any Deposit from the Public during the year under review. As on 31st March, 2014, no unclaimed deposits are lying with the Company.

INSURANCE:

All the Fixed Assets have been adequately insured.

AUDITORS:

M/s Gaurang Merchant & Co. (Registration No. 103111W), the retiring Auditors, are eligible for re-appointment and have furnished a certificate to the effect that their re-appointment, if made, will be in accordance with the provisions of section 139 (2) and other applicable provisions of the Companies Act, 2013 read with the Companies' (Audit and Auditors) Rules, 2014, to hold office from conclusion of ensuing Annual General Meeting until the conclusion of 27th Annual General Meeting.

AUDITORS REPORT:

There are no qualifications / remarks in the Audit Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

As required under Section 217(1) (e) of the Companies Act, 1956 read together with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 the relevant information is given below.

Relevant data in respect of energy consumption is as below.

	2013-2014	2012-2013
(I) Power & Fuel Consumption		
1. Electricity		
Purchased Units	5,86,904	7,48,933
Total Amount	Rs.41,56,863	Rs. 49,54,004
Rate / Unit (Rs.)	Rs.7.08	Rs. 6.61
2. Light Diesel Oil / Furnance Oil		
Quantity (Litres)	2,400	1,400
Total Amount	Rs.1,36,332	Rs. 65,238
Average Rate (Rs. / Ltrs)	Rs.56.81	Rs. 46.60
3. Coal		
Quantity (Kgs)	13,41,485	16,39,215
Total Amount	Rs.97,00,684	Rs. 96,74,363
Average Rate (Rs./ Kgs)	Rs.7.20	Rs. 5.90
(II) Consumption per Unit of Production		
Electricity	Rs 2.32/kg	Rs 2.76/kg

FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. in Lacs)
Foreign Exchange Earnings	: 2381.63
Foreign Exchange Outgo	: 1053.29

LISTING AGREEMENT COMPLIANCE:

Pursuant to the requirements of the Listing Agreement, the Company declares that its Equity Shares are listed on the BSE Limited.

PERSONNEL:

Industrial relations at the Company's factory and other establishments remained cordial during the year. We appreciate the contribution made by the employees towards achieving improved productivity and flexibility in operation.

ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation for the continued support and co-operation by Government Authorities, Financial Institutions, Banks and our valued customers along with dedicated service of all the workers, staff and the officers, whose continuous support is a pillar of strength which have largely contributed to the efficient management of the Company. Suffice it to say, that your co-operation as our shareholders is hereby acknowledged with gratitude.

For and on behalf of the Board,

(AMIT J. PATEL)
EXECUTIVE CHAIRMAN

Mumbai, May 23, 2014

CORPORATE GOVERNANCE

Company's Policies on the Corporate Governance and due Compliance Report on specific areas wherever applicable for the year ended 31st March, 2014 are hereunder divided into the following areas:-

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Company's Philosophy on Corporate Governance is intended to bring about

- Transparency and Professionalism in activities of the organization.
- Implementation of policies and procedures prescribed by the Company to ensure high ethical standards in all its business activities and responsive management.

II. BOARD OF DIRECTORS:**(a) Composition of the Board**

- The Board of Directors of the Company consists of eminent persons with considerable expertise and experience in business and industry.
- The composition of the Board of Directors with reference to Executive and Non Executive Directors meets the requirement of code of Corporate Governance.
- Out of Seven Directors, there is One Non-Promoter Executive Director namely Mr. Sishir R. Amin, One Promoter Executive Director and Chairman namely Mr. Amit J. Patel and one Promoter Executive Director namely Mr. Aditya Patel.
- There are four independent Directors namely Mr. Hiroshige Tanaka, Mr. Jagdish J. Vasa. Dr. Giuseppe Seccomandi and Mr. Sudhir M. Patel.

(b) Number of Board Meetings held and attended by Directors

Board Meetings are held at least four times during the year coinciding with the presentation of each quarterly result. During the last financial year, four Board Meetings were held on 30th May,2013, 14th August,2013, 11th November,2013 and 13th February,2014.

The Meetings were attended as follows.

- Mr. Sishir R. Amin, Mr. Amit J. Patel, Mr. Aditya Patel and Mr. Sudhir Patel attended all the four Meetings.
- Mr. Jagdish Vasa attended two Meetings.
- Mr. Hiroshige Tanaka attended one Meeting.
- Mr. Giuseppe Seccomandi was granted leave of absence for all meetings held during their tenure.

Mr. Amit Patel and Mr. Sishir Amin attended the last Annual General Meeting held on 27th September, 2013.

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(c) The details of other Directorships and Committee Membership:

Name of the Directors	Category of Directors	No. Of Other Directorships held	No. of other Board Committee(s) Of which He/she is	
			Member	Chairman
Aditya A. Patel	Promoter – Executive	2	0	0
Amit J. Patel	Chairman – Promoter – Executive	1	0	0
Sishir R. Amin	Non Promoter – Executive	2	0	0
Sudhir M. Patel	Independent – Non- Executive	9	2	0
Jagdish J. Vasa	Independent – Non- Executive	2	0	0
Hiroshige Tanaka	Independent – Non- Executive	0	0	0
Dr. Giuseppe Seccomandi	Independent – Non- Executive	0	0	0

(d) Details of Directors seeking Re-appointment :-

Details of the Directors seeking re-appointment at the ensuing Annual General Meeting are given hereunder: -

Name of Director	Mr. Aditya Patel	Mr. Hiroshige Tanaka
Date of appointment	31-01-2005	15-05-2012
Expertise in specific Functional Areas	Businessman having experience in Chemical Industry.	Businessman having experience in Chemical Industry in Japan.
List of other Directorship	1) Erca Speciality Chemicals Private Limited 2) Caffil Private Limited	Nil

III AUDIT COMMITTEE:

- (i) The Audit Committee of the Board of Directors of the Company, inter-alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures. The scope of the Audit Committee is in accordance with and as specified in Clause 49 of the Listing Agreement. The broad terms of reference include.
- (a) To review compliances with internal control systems.
 - (b) To review the quarterly, half yearly, annual financial results of the Company before submission to the Board.
 - (c) To review Company's financial reporting process and disclosure of financial information.
 - (d) Recommending the appointment of statutory and internal auditors.
- (ii) The Audit Committee at present comprises of two independent directors namely Mr. Sudhir Patel and Mr. Jagdish J. Vasa and one Executive Director namely Mr. Sishir Amin.
- Mr. Jagdish Vasa is the Chairman of the Audit Committee.

- (iii) Four Audit Committee Meetings were held on May 30, 2013, August 14, 2013, November 11, 2013 and February 13, 2014.
Mr. Jagdish Vasa attended three meetings and Mr. Sudhir Patel and Mr. Sishir Amin attended all the four meetings.
- (iv) The company paid sitting fees of Rs. 5000/- per Audit Committee Meeting and Rs. 5000/- per Board Meeting upto 11th November, 2013 and Rs. 10000/- per audit committee and Board Meeting respectively thereafter to Non- Executive Directors and no other remuneration has been paid to the non-executive directors during the year under review.

IV. REMUNERATION COMMITTEE:

- (i) The Remuneration Committee considers the policy and the matter relating to the remuneration including commission payable to managerial persons including Managing Directors and Whole Time Directors.
- (ii) The Remuneration Committee was constituted on 30th June, 2004 and the Committee at present comprises of Three Independent Directors namely Mr. Jagdish J. Vasa, Mr. Sudhir Patel and Mr. Hiroshige Tanaka.
Mr. Jagdish Vasa is the Chairman of the Committee.
- (iii) Meeting of Remuneration Committee was held on 30th May, 2013 during the year under review.
- (iv) The Company has not paid any sitting fees to Non-Executive Directors and no other remuneration has been paid to the Non Executive Directors during the year under review.

Managing / Whole Time, Directors are being paid remuneration as approved by the Shareholders and as recommended by the Remuneration Committee and approved by the Board of Directors from time to time, subject to the approval of other appropriate authority, as may be required.

Remuneration to Executive Directors:

The Company has paid the gross remuneration of Rs. 18,89,262/- (including perquisites and other benefits) to Mr. Sishir Amin, Managing Director of the Company, Rs.8,52,973/- (including perquisites and other benefits) to Mr. Amit J Patel, Executive Chairman of the Company during the year and Rs 2,91, 545/- (including perquisites and other benefits) to Mr. Aditya A Patel, Joint Managing Director of the Company during the year.

Note: The contract of employment with Mr. Sishir Amin, Managing Director Mr. Amit J. Patel, Executive Chairman and Mr. Aditya Patel, Joint Managing Director is for a period of five years. There is no notice period specified to determine the contract.

Further Mr. Amit Patel, Executive Chairman, Mr. Sishir Amin, Managing Director and Mr. Aditya Patel hold 927450, 30800 and 104599 Equity Shares in the Company respectively.

V. COMPLIANCE OFFICER:

Mr. Devidas N. Tendolkar acts as the Compliance Officer for ensuring compliance with the requirements of listing agreement with the Stock Exchange and SEBI Regulations as amended from time to time.

VI. SHAREHOLDERS' COMMITTEE:

- (a) The Company has constituted a Share Transfer cum Shareholders / Investors Grievance Committee consisting of Executive and Non Executive directors Mr. Amit J. Patel, Mr. Aditya A. Patel and Mr. Sishir R. Amin. The Committee normally meets twice a month as required. Mr. Amit Patel is the Chairman of the Shareholders' Committee.
The Committee approves, transfer / transmission / transposition / consolidations / splitting, issue of duplicate certificates, allotment of shares and debentures, shareholders grievances pertaining to non receipt of transferred share certificates, non receipt of balance sheet and non receipt of dividend / interest warrant etc.
- (b) The Board has designated Mr. D.N Tendolkar as the Compliance Officer.
- (c) The Company has approximately 2967 shareholders. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was six. There were no outstanding complaints as on March 31, 2014.

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VII GENERAL BODY MEETINGS:

a. The details of the Annual General Meeting held in last three years are as under: -

AGM	DAY	DATE	TIME	VENUE
19 th	Friday	30.09.2011	10.30 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palghar, Maharashtra-401506
20 th	Friday	28.09.2012	11.30 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palghar, Maharashtra-401506.
21 th	Friday	27.09.2013	11.30 A.M.	E-4, MIDC Tarapur, Boisar, Dist. Palghar, Maharashtra-401506.

- b. No Special Resolution was passed at the last three Annual General Meetings.
c. No Special Resolution was passed last year through postal ballot.
d. No special resolution is proposed to be conducted through postal ballot.

VIII DISCLOSURES:

- (i) The Company has properly disclosed the significant material transactions with related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives at the appropriate places in the Annual Accounts. However these transactions are not likely to have any conflict with the Company's interest.
(ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or The Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets during the last three years.
(iii) The Company has adopted a Code of Conduct for its Directors and employees. This Code of Conduct has been communicated to each of them.
(iv) Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

IX MEANS OF COMMUNICATION:

(i)	Quarterly Results	Communicated to all the Stock Exchanges with whom the Company is listed.
(ii)	Newspapers wherein Results normally published	The Free Press Journal, & Navshakti, Mumbai
(iii)	Any web site, where displayed	Yes : www.daikaffil.com
(iv)	Whether it also displays official News releases and presentations made to Institutional investors / analysts	No
(v)	Whether MD & A is a part of annual report	Yes

X GENERAL SHAREHOLDER INFORMATION:

- (a) ANNUAL GENERAL MEETING TO BE HELD:
The 22nd Annual General Meeting will be held on Friday, the 26th September, 2014 at 11.30 A.M. at E-4, M.I.D.C. Tarapur, Boisar, Dist.- Palghar, Maharashtra-401506.
- (b) FINANCIAL CALENDAR 2013-2014 (TENTATIVE):
- | | |
|---------------------------------|------------------------------------|
| Annual General Meeting | 26th September, 2014 |
| First Quarterly Results | Before end of 15th August, 2014 |
| Second Quarterly Results | Before end of 15th November, 2014. |
| Third Quarterly Results: | Before end of 15th February, 2015. |
| Audited yearly Results for | |
| The year ended 31st March, 2015 | Before end of May, 2015 |

(c) DATES OF BOOK CLOSURE:

19th September, 2014 to 26th September, 2014 (Both days inclusive).

(d) DIVIDEND PAYMENT DATE:

On or after 3rd October, 2014 to those members whose names stand registered on the Company's Register of Members as on 26th September, 2014.

(e) Stock Exchange Listing:

The Company's shares are presently listed on the BSE Limited.

(f) STOCK CODE:

	Physical	Demat
Trading code Bombay Stock Exchange	30825	530825

(g) STOCK MARKET DATA:

The Monthly high and low quotations and volume of shares traded at The Stock Exchange Mumbai is as follows.

Period	BSE		
	High (Rs.)	Low(Rs.)	Volume (Nos.)
April, 2013	13.23	8.96	13,765
May, 2013	13.80	10.35	12,050
June, 2013	11.65	8.24	15,124
July, 2013	8.70	7.75	5,327
August, 2013	8.05	7.00	4,596
September, 2013	8.80	7.35	4,866
October, 2013	9.04	7.22	15,091
November, 2013	9.54	7.40	9,124
December, 2013	14.69	8.13	66,524
January, 2014	14.70	8.55	11,932
February, 2014	13.77	9.81	54,464
March, 2014	12.50	9.00	20,981

(h) REGISTRAR AND TRANSFER AGENTS:

The Registrar and Transfer Agents of the Company are M/s Link Intime India Private Limited and they have their Office at

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400 078. Tel No. : 25963838 Fax No. : 25946969 Email: rnt.helpdesk@linkintime.co.in	203, Davar House, Next to Central Cinema, Dr. D. N. Road, Mumbai - 400 001. Tel Nos. : 22694127
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(i) **SHARE TRANSFER SYSTEM:**

Share transfer requests received in physical form are registered within 15 days from the date of receipt and Demat requests are normally confirmed within an average period of 10 days from the date of receipt.

(j) **DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2014:**

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares	% of Shareholding
1-500	2376	80.0809	393707	6.5618
501-1000	272	9.1675	237980	3.9663
1001-2000	122	4.1119	194256	3.2376
2001-3000	56	1.8874	145635	2.4272
3001-4000	20	0.6741	74318	1.2386
4001-5000	19	0.6404	90468	1.5078
5001-10000	48	1.6178	349320	5.8220
10001 & above	54	1.8200	4514316	75.2386
Grand Total	2967	100.00	6000000	100.00

DISTRIBUTION OF SHAREHOLDING (CATEGORY WISE)

Sr. No	Particulars	No. of Shares	% of Shareholding
A	Promoters and Promoter Group		
1	Indian Promoters		
(a)	Individuals/HUF	1433849	23.90
(b)	Bodies Corporate	503300	8.39
2	Foreign Promoters		
(a)	Individuals	0	0
(a)	Bodies Corporate	0	0
B	Public Shareholding		
1	Institutions		
(a)	Mutual Funds / UTI	1500	0.03
(b)	Financial Institutions / Banks	7900	0.13
2	Non Institutions		
(a)	Bodies Corporate	449801	7.50
(b)	Individuals	2526004	42.10
(c)	Clearing Member(s)	3397	0.05
(d)	Non Resident Indians	324549	5.40
(e)	Foreign Company	749700	12.50
	Total	6000000	100.00

(k) DEMATERIALISATION OF EQUITY SHARES:

The Company's Equity Shares are included in the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialised form by all institutions and all investors. The Company had signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to offer depository services to its shareholders. As on 31st March, 2013 about 76.79% of Equity Share Capital of the Company has been dematerialized.

(l) PLANT LOCATIONS:

The Company has a single plant located at Plot No. E/4, MIDC, Tarapur, Dist. Palghar, Maharashtra

(m) ADDRESS FOR CORRESPONDENCE:

Company's Corporate Office	Registrar and Transfer Agents
Mr. Devidas N. Tendolkar - Compliance Officer 52, Nariman Bhavan, Nariman Point, Mumbai-400 021. Tel Nos. 022-61016612 / 61016608 E-mail: info@daikaffil.com	M/s Link Intime India Private Limited D-13, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078. Tel No. 022 25963838 Fax No. 022 25962691

DECLARATION

As provided under Clause 49 of the Listing Agreement with Stock Exchange, the Board Members and the Senior Management Team have confirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2014

FOR DAIKAFFIL CHEMICALS INDIA LIMITED

Mumbai, May 23, 2014

**SISHIR AMIN
MANAGING DIRECTOR****ANNUAL DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

To,
The Board of Directors,
Daikaffil Chemicals India Limited
Plot No.E-4, M.I.D.C. Tarapur, Boisar,
Dist: Thane – 401 506
MAHARASHTRA

1. The Code of Conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The Code of conduct has been posted on website of the Company.
3. The Board members and senior management personnel have affirmed compliance with the code of conduct for the year 2013-14.

FOR DAIKAFFIL CHEMICALS INDIA LIMITED

Mumbai, May 23, 2014

**SISHIR AMIN
MANAGING DIRECTOR**

MANAGEMENT DISCUSSION AND ANALYSIS**FINANCIAL AND OPERATIONAL PERFORMANCE**

In spite of challenging macro economic conditions, the Company registered a steady growth of 11 % in sales over previous year.

Total sales revenue of the Company for the year comprises domestic sales of 9.57 Crores [P.Y.8.71 Crores] and export sales of Rs. 23.81 crores [P.Y.Rs.21.25 crores]

The following table exhibits, in summary, the financial performance of the company for the year in relation to previous year.

	F.Y. 2013-14	F.Y.2012-13
Sales Growth [%]	11%	42%
Domestic Sales Growth [%]	9%	49%
Export Sales Growth [%]	12%	39%
PBDIT [% to sales]	6.94%	4.94%
PAT [% to sales]	4.30%	3.25%
Earnings per share[Rs.]	2.39	1.63

During the year under review, all the plants had smooth operations and the capacity utilization was better than the previous year.

OUTLOOK, OPPORTUNITIES and CHALLENGES

In spite of gloomy global scenario coupled with the Indian economy struggling with slow growth, Industries are optimistic about future growth prospects and working towards enhanced capacities, introduction of new products and most importantly understanding the changing customer preferences and demands and fostering long term profitable relationship with both international and domestic clients.

The Global chemicals market is estimated at about USD 3.4 trillion and majority of the chemical industry is shifting base to ASIA which has led to share of ASIA in the global chemical industry increasing from 31% to 45%.With ASIA 's increasing contribution to the chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. The total market size of the Indian chemicals sector is to increase from USD 108 billion to USD 290 billion within the next 5 years. The Indian chemical industry formed the backbone of the industrial development of India. Hence the Chemicals industries contribution to the GDP is forecasted to be increase substantially by developing a large domestic market through low cost production.

However the success of this sector will depend on how well it manages its key challenges, some of them which include dependence upon imports for intermediates, high fragmentation, small capacities and limited focus on technology up gradation.

India has emerged as a global supplier of Optical brighteners. There has been a remarkable growth in the exports of optical brighteners during the last 5 years and the industry has achieved a growth of almost 14.5 % per annum.

The ability of companies to comply with global regulations and Indias manufacturing competitiveness has helped the export growth significantly. Going forward innovation and sustainability initiatives are expected to be a major factor for competitiveness. Development of processes / products which eliminate or reduce the use of hazardous substances could become the key priority of the producers. Moreover stringent regulatory norms could further push the need to innovate cost effective industrial green chemicals. Currently, the domestic makers also face challenges related to feedstock availability, higher operational costs, outdated technology / processes, limited investments in R&D and a negative perception amongst end users.

INDEPENDENT AUDITORS' REPORT**To the Members of****Daikaffil Chemicals India Ltd.****Report on the Financial Statements**

We have audited the accompanying financial statements of DAIKAFFIL CHEMICALS INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular No. 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards Notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular No. 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **GAURANG MERCHANT & CO.**
Chartered Accountants
Firm Reg. No. 103111W

G.V. MERCHANT
Proprietor

Membership No.17345

Mumbai: May 23rd, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date".

- (I) a. Records showing full particulars including quantitative details and situation of fixed assets have not been adequately maintained by the Company.
- b. As explained to us, the fixed assets have been physically verified by the management once during the year and in our opinion the frequency of verification is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (ii) a. The inventories have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. The Company has maintained proper records of the inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the size of the Company and the same have been properly dealt with in the books of account.
- (iii) a. According to the information and explanations given to us, the Company has not granted / taken any loans, secured or unsecured to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. As the Company has not granted / taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, provisions of clauses (iii)(b), (iii)(c) and (iii)(d) of Para 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain services rendered are of a special nature and suitable alternate sources do not exist for obtaining comparative quotations for the same, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit no major weakness has been noticed in the internal controls.
- (v) a. According to the information and explanations given to us, we are of the opinion that transactions that needed to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions for items purchased/sold, services rendered/obtained in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Five Lakhs Rupees in respect of any party during the year have been made at prices which appear reasonable as per information available with the company.
- (vi) The Company has not accepted any deposits during the year from the public within the meaning of provisions of Section 58A and 58AA of the Companies Act 1956 and rules made thereunder. Hence clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under section 209 (1)(d) of the companies act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.
- b. According to the information and explanation given to us and the records of the Company examined by us, there are no disputed amounts in case of dues of sales tax/income tax/custom duty/wealth tax/excise duty/cess and hence the clause (ix)(b) of Para 4 of the Order is not applicable.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions and debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a Chit fund Company or nidhi/mutual benefit fund/society. Therefore the provisions of Clause (xiii) of Para 4 of the Order is not applicable to the Company.
- (xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause (xiv) of Para 4 of the Order is not applicable to the Company.

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- (xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they have been obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised monies by public issues during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **GAURANG MERCHANT & CO.**
Chartered Accountants

G.V. MERCHANT
Proprietor
Membership No.17345

Mumbai: May 23rd, 2014

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

Daikaffil Chemicals India Limited.

We have examined the compliance of conditions of Corporate Governance by Daikaffil Chemicals India Limited, for the year ended March 31, 2014 as stipulated in clause 49 of the listing agreement of the said Company with The Stock Exchange, Mumbai.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **GAURANG MERCHANT & CO.**
Chartered Accountants
Firm Reg. No. 103111W

G.V. MERCHANT
Proprietor
Membership No.17345

Mumbai: May 23rd, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014					(Rupees)
					As at 31/03/2013
Note					
A EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	2	60,000,000		60,000,000	
(b) Reserves and Surplus	3	44,316,964	104,316,964	35,577,563	95,577,563
2 Non-current liabilities					
(a) Long-term borrowings	4	153,041		319,388	
(b) Deferred tax liabilities (net)	5	3,806,775		3,229,702	
(c) Long-term provisions	6	693,946	4,653,762	583,306	4,132,396
3 Current liabilities					
(a) Short-term borrowings	7	23,377,345		26,402,189	
(b) Trade payables	8	77,407,111		48,448,729	
(c) Other current liabilities	9	4,756,848		7,778,577	
(d) Short-term provisions	10	7,269,018	112,810,322	3,607,532	86,237,027
TOTAL			221,781,048	3,607,532	185,946,986
B ASSETS					
1 Non-current assets					
(a) Fixed assets	11				
(i) Tangible assets		55,085,595		55,339,866	
(ii) Capital work-in-progress		34,502		1,815,135	
		55,120,097		57,155,001	
(b) Non-current investments	12	609,086		829,032	
(c) Long-term loans and advances	13	2,258,161		2,314,271	
			57,987,344		60,298,304
2 Current assets					
(a) Inventories	14	54,809,848		43,934,043	
(b) Trade receivables	15	85,006,125		66,252,121	
(c) Cash and cash equivalents	16	8,876,307		3,756,594	
(d) Short-term loans and advances	17	12,230,254		9,004,872	
(e) Other current assets	18	2,871,170	163,793,704	2,701,052	125,648,682
TOTAL			221,781,048	2,701,052	185,946,986

The Notes form an Integral part of these Financial statements

**As per our report attached
For GAURANG MERCHANT & CO.**

Chartered Accountants
Firm Reg. No. 103111W

G. V. MERCHANT
Proprietor
Membership No. 17345

Mumbai: May 23, 2014

For and on behalf of the Board of Directors

AMIT J. PATEL **Executive Chairman**

SISHIR R. AMIN **Managing Director**

Mumbai: May 23, 2014

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014 (Rupees)			
	Note		Year ended 31/03/2013
Revenue from operations (gross)	19	359,715,130	319,929,098
Less: Excise duty		<u>25,908,734</u>	<u>20,422,327</u>
Revenue from operations (net)		333,806,396	299,506,771
Other income	20	<u>3,097,937</u>	<u>4,362,844</u>
Total revenue		336,904,333	303,869,615
Expenses			
(a) Cost of materials consumed	21	204,561,078	176,749,542
(b) Purchase of stock-in-trade	22	11,187,413	21,486,030
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(2,368,861)	(2,237,317)
(d) Employee benefit expense	24	21,062,910	19,894,447
(e) Finance costs	25	3,087,391	3,000,028
(f) Depreciation and amortisation expense	11	6,104,085	5,617,696
(g) Other expenses	26	<u>70,118,137</u>	<u>64,577,587</u>
Total expenses		313,752,153	289,088,013
Profit before exceptional and extraordinary items and tax		23,152,180	14,781,602
Exceptional items :-			
Provision for Diminution in value of investment	12	(219,946)	-
Excess Depreciation charged in previous years		-	96,700
		<u>(219,946)</u>	<u>96,700</u>
Profit before extraordinary items and tax		22,932,234	14,878,302
Extraordinary items		-	-
Profit before tax		-	14,878,302
Tax Expense :			
Current Tax		(8,000,000)	(4,900,000)
Deferred Tax	5	(577,073)	63,045
Minimum Alternate Tax Credit / (Set off)		-	(258,000)
Earlier Years		-	(32,725)
		<u>(8,577,073)</u>	<u>(5,127,680)</u>
Profit for the year		14,355,161	9,750,622
Earnings per Equity Share			
[Face Value of Rs. 10 per Equity share)			
Basic and Diluted earning per share (Rs.)		2.39	1.63

The Notes form an Integral part of these Financial statements

As per our report attached
For GAURANG MERCHANT & CO.
Chartered Accountants
Firm Reg. No. 103111W

(G. V. MERCHANT)
Proprietor
Membership No. 17345
Mumbai: May 23, 2014

For and on behalf of the Board of Directors

AMIT J. PATEL Executive Chairman

SISHIR R. AMIN Managing Director

Mumbai: May 23, 2014

CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT			
(Rupees)			
	2013-2014	2012-2013	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and extraordinary items	23,152,180	14,781,602	
ADJUSTMENTS FOR :			
Depreciation	6,104,085	5,617,696	
Interest Paid	2,887,394	2,847,087	
Loss / (Profit) on Sale of Fixed asset	-	7,634	8,472,417
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.	32,143,659	23,254,019	
ADJUSTMENTS FOR :			
Trade and other Receivables	(22,093,395)	(16,168,486)	
Taxes	(1,555,576)	(1,923,419)	
Inventories	(10,875,805)	1,167,379	
Trade payable and others	29,221,464	669,052	
Repayment of Short Term Borrowings	(3,024,843)	7,913,758	(8,341,716)
Cash Generated from Operations	23,815,504	14,912,303	
Interest paid	(2,887,394)	(2,847,087)	
Direct Taxes paid	(6,444,424)	(3,267,306)	(6,114,393)
Cash flow before extraordinary items.	14,483,686	8,797,910	
Extraordinary Items	-	-	
NET CASH FROM OPERATING ACTIVITIES (A)	<u>14,483,686</u>	<u>8,797,910</u>	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Including Capital WIP)	(4,069,181)	(5,258,606)	
Purchase of investments	-	-	
Sale of Fixed Assets	-	360,001	(4,898,605)
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(4,069,181)</u>	<u>(4,898,605)</u>	
C. CASH FLOW FROM FINANCING ACTIVITIES			
Long Term Loan	(1,784,942)	(2,232,407)	
Increase in Paid-up Capital	-	-	
Dividends paid	(3,509,850)	(3,486,675)	(5,719,082)
NET CASH FROM FINANCING ACTIVITIES ©	<u>(5,294,792)</u>	<u>(5,719,082)</u>	
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)			
CASH & CASH EQUIVALENTS:	<u>5,119,713</u>	<u>(1,819,777)</u>	
Opening Balance at Beginning of the year	3,756,594	5,576,371	
Closing Balance at the End of the year	8,876,307	3,756,594	
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	<u>5,119,713</u>	<u>(1,819,777)</u>	

As per our report attached
For GAURANG MERCHANT & CO.
Chartered Accountants
Firm Reg. No. 103111W

For and on behalf of the Board of Directors.

AMIT J. PATEL
CHAIRMAN

(G. V. MERCHANT)
Proprietor
Membership No. 17345
Mumbai: May 23, 2014

NOTES TO THE FINANCIAL STATEMENTS

Note 1. SIGNIFICANT ACCOUNTING POLICIES:**1) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS :**

The financial statements are prepared under historical cost convention on an accrual basis and are generally in accordance with the requirements of the Companies Act, 1956 and the accounting principles generally accepted in India and comply with the Accounting Standards notified by the Companies (Accounting standards) Rules, 2006.

2) FIXED ASSETS :

Fixed Assets are stated at the original cost including other expenses related to acquisition and installation, net of tax / duty credits availed less accumulated depreciation.

3) DEPRECIATION :

(a) Depreciation on fixed assets is provided on straight line method at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956.

(b) Depreciation on assets acquired / purchased during the year has been provided on pro rata basis according to the period each asset was put to use during the year.

4) IMPAIRMENT OF ASSETS

An Asset is treated as Impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

5) FOREIGN CURRENCY TRANSACTIONS.

The transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies are translated at the exchange rate prevailing on the last date of the accounting year. Gain or loss arising out of translation / conversion is taken credit for or charged to Profit and Loss Account.

6) INVESTMENTS :

Long term investments are stated at cost. Provision for Diminution in value is made to recognize decline, other than temporary in the value of investments.

7) INVENTORIES :

Items of Inventory are valued at lower of cost or net realizable value (Except Stores and Packing materials which are valued at cost). Cost Comprises of expenditure incurred in the normal course of business in bringing such inventories to its location and included where applicable appropriate overheads based on normal level of activity.

8) REVENUE RECOGNITION :**a) Sale of goods:**

Sales are recognized when the significant risks and rewards of ownership have passed to the buyer, which generally coincides with delivery. It includes Excise Duty but excludes Value added Tax and Sales Tax.

b) Export sales are accounted on the basis of dates of on board Bill of lading and/ or Airway bill.

c) Export Incentives are accounted on accrual basis.

9) RETIREMENT AND OTHER EMPLOYEE BENEFITS :**a) Defined Contribution Plan:**

Contribution paid / payable by the company during the period to Provident fund and Labour welfare fund are recognized in the statement of profit and loss.

b) Defined Benefit plan:**i) Gratuity Plan:**

The Company through an Employee Gratuity Trust Fund has taken an insurance policy under the group gratuity scheme with Life Insurance Corporation of India to cover the gratuity liability of the employees of the company. The liability for gratuity is ascertained on the basis of actuarial valuation done at the end of the financial year by LIC. The contribution made to the fund is charged to Statement of Profit and Loss.

ii) Leave encashment :

The Company has taken an insurance policy with Life Insurance Corporation of India to cover the Employee's Leave encashment Liability of the company. The liability for leave encashment is provided on the basis of actuarial valuation done at the end of the financial year by LIC. The contribution made to the fund is charged to Statement of Profit and Loss.

10) TAXES ON INCOME :

The Income tax expense comprises Current tax and Deferred tax. Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT Credit/ Asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal tax during the specified period.

11) CONTINGENT LIABILITIES:

The Company recognizes a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is possible obligation or present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

As at
31/03/2013

Note 2: Share Capital

a) Authorised

65,00,000 (65,00,000) Equity Shares of Rs.10/- Each. 65,000,000 65,000,000

b) Issued, subscribed and Paid up :

60,000,000 60,000,000

60,00,000 (60,00,000) Equity Shares of Rs.10/- Each. 60,000,000 60,000,000

c) Reconciliation of number of Equity Shares :

Particulars	As at 31/03/2014		As at 31/03/2013	
	No. of Shares	Value (Rupees)	No. of Shares	Value (Rupees)
Balance at the beginning of the year	6,000,000	60,000,000	6,000,000	60,000,000
Add: Shares Issued during the year	-	-	-	-
Balance at the end of the year	6,000,000	60,000,000	6,000,000	60,000,000

d) Terms/ Rights attached to the Shares :

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

In the event of Liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferred amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Details of Shares held by Shareholders holding more than 5% of the Aggregate Shares in the Company

Name of the Shareholders	As at 31/03/2014		As at 31/03/2013	
	No. of Shares	Shares as % of Total No. of Shares	No. of Shares	Shares as % of Total No. of Shares
1 Amit Patel	927,450	15.46%	927,450	15.46%
2 Caffil Private Ltd.,	503,300	8.39%	503,300	8.39%
3 H.G.E. Chemical Company S.A. (Luxembourg)	749,700	12.50%	749,700	12.50%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

	As at 31/03/2013	
Note 3 :		
Reserves and Surplus		
Revaluation Reserve		
Balance at the beginning of the year	2,483,400	2,483,400
Add : During the year	-	-
	2,483,400	2,483,400
Share Premium		
Balance at the beginning of the year	3,448,620	3,448,620
Add : During the year	-	-
	3,448,620	3,448,620
General Reserve		
Balance at the beginning of the year	9,700,000	8,200,000
Add : Transferred from surplus	2,500,000	1,500,000
	12,200,000	9,700,000
Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	19,945,543	15,227,946
Add : During the year	14,355,161	9,750,622
	34,300,704	24,978,568
Less : Appropriations		
Transfer to General Reserve	(2,500,000)	(1,500,000)
Short Provision of Dividend distribution tax of previous year	-	(23,175)
Proposed Dividend	(4,800,000)	(3,000,000)
Corporate Dividend Tax Thereon	(815,760)	(509,850)
	26,184,944	19,945,543
	44,316,964	35,577,563
Note 4 : Long - Term Borrowings		
Secured Loan		
Term Loan from Bank	-	1,635,638
(The above Loan is secured against hypothecation of Stock in Trade, Book Debts, Plant and Machinery, Other Fixed Assets and Mortgage by Deposit of Title Deeds of Leasehold Land)		
Car Loan from Bank	319,388	468,692
(Secured against Hypothecation of Motor Cars)		
Less : Shown as Current Maturities of Term Loans Under		
Other Current Liabilities	(166,347)	(1,784,942)
	153,041	319,388

LONG TERM BORROWINGS FROM BANKS - MATURITY PROFILE

Particulars	FY 2014-15	FY 2015-16
Car Loan - Secured	166,347	153,041
	166,347	153,041

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

		Charge/ (credit) during	As at 31/03/2013
Note 5 :			
Deferred Tax Liabilities :			
Deferred Tax Liabilities:			
on account of timing difference in depreciation	4,354,088	755,796	3,598,292
Sub-Total	4,354,088	755,796	3,598,292
Deferred Tax Assets:			
on account of Employee Cost/ Benefits	409,071	107,796	301,275
on account of Allowances / Disallowance Under Income Tax Act, 1961	138,242	70,927	67,315
Sub-Total	547,313	178,723	368,590
Net Deferred tax liability	3,806,775	577,073	3,229,702

Note 6 :

Long Term Provisions

Employees benefits :-

Provision for Gratuity (Refer note No. 24 Fund lying with

LIC- In a separate trust account)

51,585

-

Provision for Leave Encashment

642,361

583,306

693,946

583,306

Note 7

Short - Term Borrowings

Secured Loan

From Bank

- Cash Credit

4,834,113

4,219,241

- Export Packing Credit

10,043,232

19,182,948

- Bill Discounting

8,500,000

3,000,000

23,377,345

26,402,189

Secured against hypothecation of Stock in Trade, Book

Debts, Plant and Machinery, Other Fixed Assets and

Mortgage by Deposit of Title Deeds of Leasehold Land.

Note 8 :

Trade Payables

Due to Micro, Small and Medium Enterprises *

906,064

1,120,255

Due to creditors other than Micro, Small and Medium Enterprises

76,501,047

47,328,474

77,407,111

48,448,729

* Based on the information available with the Company in respect of Micro, Small & Medium Enterprises (as defined in 'The Micro, Small & Medium Enterprises, Development Act, 2006'). The Company is generally regular in making payments of dues to such enterprises.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

As at
31/03/2013

Note 9 :

Other Current Liabilities

Other Liabilities	473,442	292,168
Liability Towards Employees	2,461,479	3,895,356
Statutory Liabilities	229,396	492,173
Unpaid Dividend #	1,196,221	1,097,738
Trade Deposit and Advance	229,963	216,200
Current Maturities of Long Term Borrowings (see note 4)	166,347	1,784,942
	<u>4,756,848</u>	<u>7,778,577</u>

As at the year end there is no amount due for payment to the Investor Education & Protection Fund under Section 205C of the Companies Act, 1956.

Note 10 :

Short Term Provisions

Provision for Dividend	4,800,000	3,000,000
Provision for Corporate Dividend Tax	815,760	509,850
Provision for Income Tax	13,551,000	5,551,000
Less : Advance Tax / TDS	<u>11,897,742</u>	<u>5,453,318</u>
	1,653,258	97,682
Less Refer Note 18	-	-
	<u>1,653,258</u>	<u>97,682</u>
	<u>7,269,018</u>	<u>3,607,532</u>

**Note 11
FIXED ASSETS**

Name of Assets	Gross Block			Depreciation			Net Block			
	As at 31/03/2013	Additions	Deductions	As at 31/03/2014	Provided Upto 31/03/2013	Provided this year	Adjustment/ Deduction during the year	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
LAND (LEASEHOLD)	3,900,000	-	-	3,900,000	-	-	-	3,900,000	3,900,000	3,900,000
FACTORY BUILDING	23,770,831	-	-	23,770,831	9,456,184	793,946	-	10,250,130	13,520,701	14,314,647
FLAT	319,031	-	-	319,031	90,043	5,200	-	95,243	223,788	228,988
PLANT & MACHINERY	88,980,636	5,500,856	-	94,481,492	59,445,982	4,504,034	-	63,950,016	30,531,476	29,534,654
ELECTRICAL INSTALLATIONS	5,863,359	-	-	5,863,359	2,769,647	278,510	-	3,048,157	2,815,202	3,093,712
LABORATORY EQUIPMENT	1,568,401	-	-	1,568,401	339,718	74,499	-	414,217	1,154,184	1,228,683
OFFICE EQUIPMENTS	920,020	138,228	-	1,058,248	328,840	47,403	-	376,243	682,005	591,180
FURNITURE & FIXTURES	1,497,714	65,400	-	1,563,114	405,906	95,167	-	501,073	1,062,041	1,091,808
COMPUTER	1,004,553	54,561	-	1,059,114	521,252	170,465	-	691,717	367,397	483,301
VEHICLES	1,374,333	90,768	-	1,465,101	501,439	134,861	-	636,300	828,801	872,894
Total	129,198,878	5,849,813	-	135,048,691	73,859,011	6,104,085	-	79,963,096	55,085,595	55,339,867
Previous year	122,725,265	7,661,622	1,188,009	129,198,878	69,158,390	5,617,696	-917,074	73,859,012		
Capital Work-in-Progress									34,502	1,815,135
									<u>55,120,097</u>	<u>57,155,002</u>

Note: The Company had revalued its Land at market value as at 31/03/94 which resulted in a net increase of Rs.24,83,400/- to its value.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

		As at 31/03/2013
Note 12 :		
Non Current Investments		
Long-term		
Unquoted and non trade		
Investment in 264666(264666) Equity shares of face value Rs.10/- each of Erca Speciality Chemicals Pvt. Ltd.,	2,646,600	2,646,600
Less: Provision for Diminution in the value of investment	2,037,514	1,817,568
	<u>609,086</u>	<u>829,032</u>
Note 13 :		
Long Term Loans and Advances		
<i>Unsecured and Considered Good</i>		
A Capital Advances	42,000	-
B Security Deposits	1,446,439	1,325,615
C Asset with LIC for Leave Encashment (Refer Note 24)	769,722	763,042
D Asset with LIC for Gratuity Fund (Refer Note 24)	-	225,614
	<u>2,258,161</u>	<u>2,314,271</u>
Note 14 :		
Inventories - As certified by Management		
Valued at Lower of Cost or Net Realizable Value :		
Raw Materials	26,940,640	18,225,110
Work-in- Progress	23,338,248	19,807,514
Finished Goods	3,175,132	4,816,450
Stock-in-Trade	568,665	89,220
Valued at Cost :		
Stores and Spares.	420,221	359,910
Packing Materials	366,942	635,839
	<u>54,809,848</u>	<u>43,934,043</u>
Note 15 :		
Trade Receivables		
Unsecured and Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	1,482,667	546,478
Other Trade Receivables	83,523,458	65,705,643
	<u>85,006,125</u>	<u>66,252,121</u>
Note 16 :		
Cash and Bank Balances		
A Cash and Cash Equivalentents :		
Cash on hand	16,936	27,875
Balances with Banks in current accounts	5,933,860	1,038,450
	<u>5,950,796</u>	<u>1,066,325</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2014

	As at 31/03/2013	
B Others bank balances :-		
- Deposit Accounts (with maturity more than 3 months but less than 12 months) Lodged as security with Bank as Margin Money against Letters of Credit and Bank Guarantee.	1,729,290	1,592,532
Earmarked balances with bank for Unpaid Dividends	<u>1,196,221</u>	<u>1,097,738</u>
	<u>2,925,511</u>	<u>2,690,270</u>
Total	<u>8,876,307</u>	<u>3,756,594</u>
Note 17 :		
Short - Term Loans and advances		
<i>Unsecured and Considered Good</i>		
Prepaid Expenses	710,861	334,658
Cenvat Credit Receivable	3,385,550	3,140,656
Loans to Employees	232,650	112,600
Balances with Government Authorities	6,862,693	5,349,334
Advances to Suppliers	<u>1,038,500</u>	<u>67,624</u>
	<u>12,230,254</u>	<u>9,004,872</u>
Note 18 :		
Other Current Assets		
Unsecured and Considered Good		
Interest Accrued on Investments / Deposits	82,191	127,011
For others		
For Advance Tax / TDS	11,897,742	5,453,318
Less : Provision for Income Tax	<u>13,551,000</u>	<u>5,551,000</u>
	<u>(1,653,258)</u>	<u>(97,682)</u>
Less Refer note10	<u>(1,653,258)</u>	<u>(97,682)</u>
	-	-
For others		
MVAT Recoverable from Govt.	2,243,961	1,870,381
DEPB Licence Unutilised	<u>545,018</u>	<u>703,660</u>
	<u>2,871,170</u>	<u>2,701,052</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	As at 31/03/2013	
Note 19:		
Revenue from Operations		
a) Sale of Products :- (Refer note 19A)		
- Manufactured Finished Goods	339,076,722	289,982,791
- Trading Goods	<u>17,402,390</u>	<u>27,251,525</u>
	<u>356,479,112</u>	<u>317,234,316</u>
b) Sale of Services - Processing Charges	32,676	79,380
c) Other Operating Revenue (Export Incentives)	<u>3,203,342</u>	<u>2,615,402</u>
	<u>359,715,130</u>	<u>319,929,098</u>
Less : Excise duty	<u>25,908,734</u>	<u>20,422,327</u>
Revenue from Operations (Net)	<u>333,806,396</u>	<u>299,506,771</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

		Year ended 31/03/2013		
19A Details of Products Sold				
(i) Sale of finished Goods				
Organic Intermediates (Net of Excise)	102,535,191	99,877,382		
Optical Brighteners (Net of Excise)	210,632,797	169,683,082		
Add: Excise Duty	25,908,734	20,422,327		
(iii) Sale of Goods - in - Trade (Net of Excise Duty)				
Organic Intermediates	6,778,790	2,481,682		
Optical Brighteners	10,623,600	24,769,843		
	<u>356,479,112</u>	<u>317,234,316</u>		
Note 20 :				
Other Income				
Interest :				
- On Bank Deposits	151,954	147,119		
- Others	588,611	385,435		
Exchange Gain (Net)	2,385,127	3,880,034		
Miscellaneous Income	(27,755)	(49,744)		
	<u>3,097,937</u>	<u>4,362,844</u>		
Note 21 :				
Raw Materials Consumed				
Raw materials Consumed :				
Opening stock	18,225,110	22,078,614		
Add : Purchase	214,975,319	176,234,763		
	<u>233,200,429</u>	<u>198,313,377</u>		
Less : Raw Material Sales	1,698,711	3,338,725		
	<u>231,501,718</u>	<u>194,974,652</u>		
Less : Closing Stock	26,940,640	18,225,110		
	<u>204,561,078</u>	<u>176,749,542</u>		
(A) Details of Raw Materials Consumed				
Chemicals				
Organic Intermediates	116,068,376	102,998,903		
Inorganic Intermediates	88,492,702	73,750,639		
	<u>204,561,078</u>	<u>176,749,542</u>		
(B) Value of imported and Indigenous of Raw Materials consumed				
	2013-14		2012-13	
	Value	% to total Consumption	Value	% to total Consumption
Raw Materials :				
Imported at landed cost	88,843,934	43.43%	80,054,096	45.29%
Indigenously obtained	115,717,144	56.57%	96,695,446	54.71%
	<u>204,561,078</u>	<u>100.00%</u>	<u>176,749,542</u>	<u>100.00%</u>
Note 22 :				
Purchase of Goods - in- Trade	<u>11,187,413</u>		<u>21,486,030</u>	
Organic Intermediates (Net of Excise)	5,405,273		1,678,170	
Optical Brighteners (Net of Excise)	5,782,140		19,807,860	
	<u>11,187,413</u>		<u>21,486,030</u>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Year ended 31/03/2013	
Note 23 :		
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade		
Opening Stock		
Work- in- Progress	19,807,514	16,356,471
Finished Goods	4,816,450	5,841,825
Stock-in-Trade	<u>89,220</u>	<u>277,571</u>
	24,713,184	22,475,867
Less : Closing Stock		
Work - in - Progress	23,338,248	19,807,514
Finished Goods	3,175,132	4,816,450
Stock-in-Trade	<u>568,665</u>	<u>89,220</u>
	27,082,045	24,713,184
	<u>(2,368,861)</u>	<u>(2,237,317)</u>
Note 23 A :		
Details of Work In Progress		
Optical Brighteners	10,758,090	10,995,486
Organic Intermediates	<u>12,580,158</u>	<u>8,812,028</u>
	23,338,248	19,807,514
Note 24 :		
Employee Benefit expenses		
Salaries, Wages and Bonus	18,434,120	17,716,350
Contribution to Provident, Gratuity and other Funds *	1,730,255	1,319,251
Staff Welfare Expenses	<u>898,535</u>	<u>858,846</u>
	21,062,910	19,894,447

* As required by Accounting Standard 15 Employees Benefits (AS-15), the disclosures are as under :

A) Defined Contribution Plans

a) The company makes Contribution to Provident fund and employees pension scheme to Defined Contribution plan for qualifying employees. Under the schemes the company is required to contribute a specified percentage of the payroll costs to fund the benefits

b) Charge to Statement of Profit and Loss for Defined Contribution Plan is as under :

- Employers' Contribution to Provident Fund	549,607	626,697
- Employers' Contribution to Employees' State Insurance	28,195	24,897
- Employers' Contribution to Employees' Pension Scheme, 1995	<u>458,338</u>	<u>408,637</u>
A	1,036,140	1,060,231

B) Defined Benefit Plans

a) The company offers the following employee benefit scheme to its employees

- i) Gratuity
- ii) Other Defined Benefit plans (Leave Encashment)

b) Charge to Statement of Profit and Loss for Defined Benefit Plan is as under :

- Employers' Contribution to LIC Group Gratuity Scheme	613,756	250,965
- Employers' Contribution to LIC Leave Encashment Scheme	52,415	(16,866)
- LIC fund management charges	<u>27,944</u>	<u>24,921</u>
B	694,115	259,020
Total (A+B)	1,730,255	1,319,251

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The following table set outs the funded status of the Defined Benefit schemes and the amounts recognised in the Financial Statements :

	As at 31/03/2014		As at 31/03/2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A Changes in the Present Value of Obligation				
Present Value Of Obligation as at Beginning of the Year	3,994,637	583,306	3,396,874	536,207
Interest Cost	319,571	50,162	271,750	42,897
Current Service Cost	215,833	8,776	199,750	-
Past service Cost	-	43,715	-	-
Benefits paid	(461,522)	(56,911)	-	-
Acturial Gains / (Loss)	442,810	13,313	126,263	4,202
Present value of Obligation as at the end of the year	<u>4,511,329</u>	<u>642,361</u>	<u>3,994,637</u>	<u>583,306</u>
	-	-	-	-
B Changes in the Fair Value of Plan Assets				
Fair Value of Assets as at Beginning of the Year	4,220,251	763,042	3,412,729	699,077
Expected return	364,458	63,551	346,798	63,965
Acturial Gains / (Loss)	-	-	-	-
Net Contribution by Employer	336,557	40	460,724	-
Benefits paid	(461,522)	(56,911)	-	-
Fair value of Assets as at the end of the year	<u>4,459,744</u>	<u>769,722</u>	<u>4,220,251</u>	<u>763,042</u>
	-	-	-	-
C Amount Recognised in the Balance sheet				
Present value of Obligation as at the end of the year	4,511,329	642,361	3,994,637	583,306
Fair value of Assets as at the end of the year	4,459,744	769,722	4,220,251	763,042
Unfunded Liability/(Net asset) Recognised in Balance Sheet	<u>51,585</u>	<u>(127,361)</u>	<u>(225,614)</u>	<u>(179,736)</u>
	-	-	-	-
D Balance sheet Reconciliation				
Net Laibility at the beginning of the year	(225,614)	(179,736)	(15,855)	(162,870)
Expense Recognised during the year	613,756	52,415	250,965	(16,866)
Contribution during the year	(336,557)	(40)	(460,724)	-
Net Laibility Recongnised at the end of the year	<u>51,585</u>	<u>(127,361)</u>	<u>(225,614)</u>	<u>(179,736)</u>
	-	-	-	-
E Amount recognised in Statement of Profit & Loss				
Current Service Cost	215,833	8,776	199,750	-
Interest Cost	319,571	50,162	271,750	42,897
Expected Return on Plan Asset	(364,458)	(63,551)	(346,798)	(63,965)
Settlemnt Cost / (Credit)	-	-	-	-
Past Service cost	-	43,715	-	-
Net Acturial (Gain)/ Loss recognised in the period	442,810	13,313	126,263	4,202
Total Expenses charged to Statement of Profit & Loss	<u>613,756</u>	<u>52,415</u>	<u>250,965</u>	<u>(16,866)</u>
	-	-	-	-
F Percentage of each category of Plan assets to Fair Value of plan Assets				
(1) Insurer Managed fund	100.00%	100.00%	100.00%	100.00%
G Acturial Assumptions				
Discount Rate	8.00%	8.60%	8.00%	8.00%
Expected return on Plan	8.64%	8.33%	9.15%	9.15%
Salary Escalation	4.00%	4.00%	4.00%	4.00%

The principle plan assets consists of a scheme of insurance taken by the trust, which is a quifying policy. Breakdown of individual investments that comprise the total plan assets is not supplied by the insurrer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Year ended 31/03/2013	
Note 25 :		
Finance Cost		
Bank Interest	2,887,394	2,847,087
Hire purchase charges	43,608	1,214
Processing, documentation and other borrowing cost	156,389	151,727
	3,087,391	3,000,028
Note 26 :		
Other Expenses		
Manufacturing Expenses		
Consumption of stores and spare parts	205,849	224,739
Power and fuel	13,993,879	14,693,605
Water consumption	980,563	1,061,563
Water treatment	876,213	456,866
Repairs and maintenance - Buildings	124,288	129,960
Repairs and maintenance - Machinery	2,492,337	2,798,159
Electrical Maintenance.	31,116	47,906
Laboratory Expenses	264,848	411,490
Handling Loss	53,193	64,750
	TOTAL (A) 19,022,287	19,889,038
Selling, Distribution and Administration expenses		
Rent including lease rentals	880,300	873,000
Repairs and maintenance - Others	205,244	176,941
Consumption of packing materials	7,987,902	7,673,579
Insurance	543,355	539,343
Rates and taxes	200,524	125,313
Communication	616,592	517,945
Travelling and conveyance	711,832	621,707
Printing and stationery	316,237	354,679
Freight and forwarding	7,232,880	7,361,484
Sales commission : export/local	22,470,145	14,178,027
Discount on sales	1,016,368	244,791
Business promotion	150,195	223,237
Legal and professional	2,013,931	1,327,344
Payments to auditors		
- Audit Fees	150,000	125,000
- Tax Audit Fees	55,000	55,000
- Taxation matter	30,000	24,000
- Certification Fees/Other Services	32,000	25,000
	267,000	229,000
Bank Commission & Charges	542,822	472,456
Clearing & Forwarding Charges	651,361	770,294
Export Freight	1,629,648	4,983,955
Electricity charges	156,914	164,804
Vehicle Expenses	383,878	342,643
Membership & Filing Fees	168,315	194,281
Terminal Handling Charges	1,017,389	861,980
Loss on sale of Fixed Assets	-	7,634
Director Sitting fees	85,000	105,000
Entertainment Expenses	173,980	147,301
Share Transfer Expenses	118,953	123,465
Sales Marketing Fees	120,300	364,303
Administrative Charges	553,000	900,000
Miscellaneous expenses	881,785	804,042
	TOTAL (B) 51,095,850	44,688,549
	TOTAL (A + B) 70,118,137	64,577,587

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Note 27:

Related party Disclosure

I) Name of the Related party and nature of relationship

A. Associate Enterprises

- M/s Caffil Private Limited
- M/s Amichem
- M/s Erca Speciality Chemicals Pvt. Ltd
(Joint Venture Company)

B. Key Management Personnel

- Mr. Sishir Amin (Managing Director)
- Mr. Amit Patel (Executive Chairman)
- Mr. Aditya Patel (Joint Managing Director)

II) Summary of Transactions with related parties during the year:

	PARTICULARS	ERCA SPECIALITY (India)	CAFFIL	KEY MANAGEMENT PERSONNEL
1	Sales (Net)	4,709,900	-	-
2	Purchase (Net)	527,290		
3	Charges received for Processing Goods	-	13,230	-
4	Administration Charges paid	553,000		-
5	Charges paid for Processing Goods	-	54,617	-
6	Remuneration to Directors *	-	-	3,028,780
7	Director - Sitting Fees	-	-	5,000
8	Outstanding Balances:			-
	Due to the Company (Debtors)	2,597,447	-	-
	Due by the Company (Creditors)	-	46,922	-
				-

* Excluding Provision for Gratuity & Leave encashment as the actuarial valuation is done on the overall company basis

Note 28:

Contingent Liabilities

	PARTICULARS	As at 31/03/2014	As at 31/03/2013
1	Estimated amount of Arrears on account of revision of Wages for Factory workers pending settlement with the Union	-	-
2	Outstanding Letters of Credit	8,494,584	5,276,688
3	Outstanding Bank Guarantee	1,700,000	25,000
		10,194,584	5,301,688

Note 29:

Commitments

Estimated amount of contract remaining to be executed on capital Account and not provided for Rs. 100 Lakhs (P.Y. Rs. 100 Lakhs)

Note 30:

Disclosure of Interest in Joint Venture

Details of Company's interest in its Joint Venture, having joint control, as per the requirement of Accounting Standard (AS) - 27 on "Financial Reporting of Interest in Joint Ventures" notified under the Companies (Accounting Standard) Rules, 2006, are as under:

Sr. No.	PARTICULARS	As at 31/03/2014	As at 31/03/2013
	% Shares Held	25.00%	25.00%
a)	Assets	1,331,323	2,146,066
b)	Liabilities	722,237	1,321,525
c)	Income	1,908,585	1,925,478
d)	Expenses	2,123,990	1,944,626
e)	Net Worth (a-b)	609,086	824,541

Note 31

Dues to Micro and Small suppliers

Particulars	Mar 31,2014	Mar 31,2013
a) The amounts remaining unpaid at the Balance sheet Date		
- Principal	906,064	1,120,255
- Interest	-	-
b) The amount of Interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
c) The amount of the payments made to Micro and Small suppliers beyond the appointed day during the year.		
- Principal	1,029,370	903,359
- Interest	-	-
d) The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	13,860	22,709
f) Total Interest due but not paid for the earlier years	28,660	5,951

Note : The above information has been compiled by the company on the basis of information made available by vendors during the year.

Note 32:

The excise duty payable if any on finished goods held in the factory is neither included in expenditure nor valued in such stock but is accounted for on clearance of goods from factory. This accounting treatment has no impact on profits.

Note 33:

Sundry Debtors and Loans and Advances are subject to confirmation.

Note 34:

Segment Information has not been given as the Company does not have any segment.

Note 35:

Earnings per Share

Particulars	31/03/2014	31/03/2013
(A) Profit attributable to Equity Shareholders (Rs)	14,355,161	9,750,622
(B) No. of Equity Share outstanding during the year	6,000,000	6,000,000
(C) Face Value of each Equity Share (Rs)	10	10
(D) Basic & Diluted earning per Share (Rs)	2.39	1.63

Note 36:

Expenditure in Foreign Currency on Account of :-

- Travelling	96,913	44,894
- Commission	21,901,295	13,131,597

Note 37:

Earning in Foreign Currency

FOB Value of Exports	238,163,453	211,854,990
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Note 38:

Remittance in Foreign Currency on Account of Dividend

(a) Number of Non-Resident Shareholders	2	2
(b) Number of Equity shares held by them	994,700	994,700
(c) (i) Amount of dividend Paid (Gross)	497,350	497,350
Tax deducted at source	--	---
(ii) Year to which dividend relates	2012-13	2011-12

Note 39:

Value of Import on CIF Basis

Raw Materials	92,605,790	83,157,463
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**As per our report attached
For GAURANG MERCHANT & CO.**

Chartered Accountants
Firm Reg. No. 103111W

(G. V. MERCHANT)

Proprietor

Membership No. 17345

Mumbai: May 23, 2014

For and on behalf of the Board of Directors

AMIT J. PATEL Executive Chairman

SISHIR R. AMIN Managing Director

Mumbai: May 23, 2014

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FORM No. MGT – 11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)	
Registered address	
Email id	
Folio No./ Client Id	
DP ID	

I/ We, being the member(s) of Of the above named Company, hereby appoint

1.	Name	
	Address	
	Email Id	
	Signature	
		or Falling him
2.	Name	
	Address	
	Email Id	
	Signature	
		or Falling him
3.	Name	
	Address	
	Email Id	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Friday, the 26th day of September, 2014 at 10.00 A.M. at Plot No.E-4, M.I.D.C. Tarapur, Boisar, Dist: Palghar - 401 506. and at any adjournment thereof in respect of such resolutions as are indicated below:

1.	Adoption of the Audited Balance Sheet, the Statement of Profit and Loss and report thereon, for the financial year ended March 31, 2014
2.	Declaration of dividend
3.	Reappointment of a Director in place of Mr. Aditya A Patel
4.	Re-appointment of Auditors and fix their remuneration
5.	Reappointment of Mr. Sishir Amin as a Managing Director
6.	Appointment of Mr. Amit Patel as a Executive Chairman
7.	Appointment of Mr. Sudhir Patel as an Independent Director
8.	Appointment of Mr. Jagdish Vasa as an Independent Director
9.	Appointment of Mr. Mr. Hiroshige Tanaka as an Independent Director
10.	Appointment of Mr. Mr. Giuseppe Seccomandi as an Independent Director

Signed thisDay of 2014

Signature of shareholder

Signature of Proxy holder(s)

Affix
Rs. 1/-
Revenue
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



DAIKAFFIL
CHEMICALS INDIA LIMITED

Registered office : E-4, M.I.D.C. Tarapur, Boisar Dist. Palghar, Maharashtra-401506

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Folio No./DP ID-Client ID No.:	
No. of Shares held:	
Name of the Member/ Proxy:	
Address of the Member	
Email ID	

I/We hereby record my/our presence at the 22nd ANNUAL GENERAL MEETING of DAIKAFFIL CHEMICALS INDIA LIMITED held at Friday, the 26th Day of September, 2014 at 11.30 A.M. at E-4, M.I.D.C. Tarapur, Boisar, Dist. Palghar, Maharashtra -401506

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